

**ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF JUNE 30, 2005**

LARGE CAP DOMESTIC EQUITY	June-05				March-05				December-04				September-04				Current	Prior Year	3 Years	5 Years
	Allocation		Quarter	Net ROR	Allocation		Quarter	Net ROR	Allocation		Quarter	Net ROR	Allocation		Quarter	Net ROR	Net ROR	Net	Net	
	Market Value	Actual			Policy	Market Value			Actual	Policy			Market Value	Actual						Policy
Structured Growth																				
LA Capital	66,335,706	4.4%	4.5%	3.19%	64,583,689	4.3%	4.5%	-1.09%	65,982,239	4.5%	4.5%	10.55%	59,679,713	4.4%	4.5%	-4.14%	8.17%	N/A	N/A	N/A
Total Structured Growth	66,335,706	4.4%	4.5%	3.19%	64,583,689	4.3%	4.5%	-1.09%	65,982,239	4.5%	4.5%	10.55%	59,679,713	4.4%	4.5%	-4.14%	8.17%	19.20%	8.30%	-8.29%
Russell 1000 Growth				2.46%				-4.10%				9.17%				-5.23%	1.67%	17.88%	7.25%	-10.36%
Structured Value																				
LSV	74,311,097	4.9%	4.5%	3.71%	71,987,048	4.8%	4.5%	1.37%	71,767,837	4.9%	4.5%	9.10%	65,776,002	4.9%	4.5%	3.09%	18.24%	29.44%	14.45%	14.70%
Russell 1000 Value				1.67%				0.09%				10.38%				1.54%	14.06%	21.13%	11.00%	5.27%
Enhanced Russell 1000 Index																				
LA Capital	89,258,393	5.9%	6.0%	1.64%	88,232,170	5.9%	6.0%	-0.99%	87,251,935	5.9%	6.0%	9.17%	79,918,625	5.9%	6.0%	-2.25%	7.39%	18.59%	8.78%	N/A
Russell 1000				2.05%				-1.91%				9.80%				-1.81%	7.92%	19.48%	9.19%	N/A
Enhanced S&P 500 Index																				
Northern Trust	88,346,321	5.8%	6.0%	1.20%	87,700,673	5.9%	6.0%	-1.90%	87,947,012	6.0%	6.0%	9.18%	80,550,760	5.9%	6.0%	-2.18%	6.02%	19.00%	8.16%	N/A
Westridge	88,290,582	5.8%	6.0%	1.45%	87,438,413	5.9%	6.0%	-2.08%	87,715,150	6.0%	6.0%	9.50%	80,248,225	5.9%	6.0%	-1.93%	6.66%	19.30%	8.57%	N/A
Total Enhanced S&P 500 Index	176,636,904	11.7%	12.0%	1.32%	175,139,086	11.8%	12.0%	-1.99%	175,662,163	11.9%	12.0%	9.34%	160,799,052	11.9%	12.0%	-2.13%	6.26%	19.81%	8.87%	N/A
S&P 500				1.37%				-2.15%				9.23%				-1.87%	6.32%	19.11%	8.28%	N/A
S&P 500 Index																				
State Street	43,657,301	2.9%	3.0%	1.35%	43,274,437	2.9%	3.0%	-2.12%	44,684,118	3.0%	3.0%	9.23%	40,906,354	3.0%	3.0%	-1.87%	6.34%	19.08%	8.30%	-2.34%
S&P 500				1.37%				-2.15%				9.23%				-1.87%	6.32%	19.11%	8.28%	-2.37%
TOTAL LARGE CAP DOMESTIC EQUITY	450,199,401	29.7%	30.0%	2.05%	443,216,430	29.9%	30.0%	-1.14%	445,348,292	30.2%	30.0%	9.43%	407,079,746	30.1%	30.0%	-1.59%	8.65%	20.38%	9.54%	-0.74%
S&P 500				1.37%				-2.15%				9.23%				-1.87%	6.32%	19.11%	8.28%	-2.37%
SMALL CAP DOMESTIC EQUITY																				
Manager-of-Managers																				
SEI	155,139,747	10.2%	10.0%	4.25%	142,955,716	9.6%	10.0%	-5.13%	161,003,016	10.9%	10.0%	14.75%	140,141,595	10.3%	10.0%	-3.63%	9.36%	33.33%	13.65%	N/A
Russell 2000 + 200bp				4.83%				-4.86%				14.64%				-2.36%	11.64%	35.99%	15.07%	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	155,139,747	10.2%	10.0%	4.25%	142,955,716	9.6%	10.0%	-5.13%	161,003,016	10.9%	10.0%	14.75%	140,141,595	10.3%	10.0%	-3.63%	9.36%	33.33%	13.65%	5.64%
Russell 2000				4.32%				-5.34%				14.09%				-2.86%	9.45%	33.36%	12.81%	5.71%
INTERNATIONAL EQUITY																				
Large Cap - Core																				
State Street	31,589,026	2.1%	2.0%	-0.93%	31,913,346	2.1%	2.0%	-0.17%	32,003,872	2.2%	2.0%	10.22%	55,531,355	4.1%	4.0%	-1.23%	7.68%	27.44%	7.31%	-2.19%
MSCI EAFE (1)				-1.01%				-0.17%				11.69%				-0.72%	9.59%	26.98%	7.29%	-2.85%
Large Cap - Active																				
Capital Guardian	93,636,572	6.2%	6.0%	1.72%	92,134,760	6.2%	6.0%	0.65%	91,536,877	6.2%	6.0%	10.31%	133,595,539	9.9%	10.0%	-1.51%	11.23%	25.40%	7.35%	-3.02%
LSV	92,705,610	6.1%	6.0%	2.80%	90,247,973	6.1%	6.0%	3.60%	87,045,594	5.9%	6.0%		-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Transition Account	-	0.0%	0.0%	N/A	(156)	0.0%	0.0%	N/A	(11,567)	0.0%	0.0%		-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Bank of Ireland	30,882,659	2.0%	2.0%	-0.29%	31,001,595	2.1%	2.0%	-1.90%	31,599,819	2.1%	2.0%	15.99%	27,293,030	2.0%	2.0%	-1.10%	12.20%	23.61%	N/A	N/A
Total Large Cap - Active	217,224,841	14.3%	14.0%	1.88%	213,384,173	14.4%	14.0%	1.49%	210,170,723	14.3%	14.0%	11.61%	160,888,569	11.9%	12.0%	-1.44%	13.74%	25.11%	8.14%	-2.37%
MSCI EAFE - 50% Hedged				1.97%				1.71%				11.11%				-0.72%	14.41%	26.98%	8.84%	-2.01%
Small Cap - Active																				
Lazard	31,607,743	2.1%	2.0%	-1.37%	32,073,301	2.2%	2.0%	3.92%	30,854,206	2.1%	2.0%	16.09%	29,180,441	2.2%	2.0%	0.70%	19.82%	44.40%	N/A	N/A
Wellington	31,359,807	2.1%	2.0%	0.05%	31,386,273	2.1%	2.0%	3.89%	30,205,029	2.0%	2.0%	13.06%	26,767,860	2.0%	2.0%	-4.69%	12.00%	42.26%	N/A	N/A
Total Small Cap - Active	62,967,551	4.2%	4.0%	-0.67%	63,459,575	4.3%	4.0%	3.91%	61,059,235	4.1%	4.0%	14.56%	55,948,301	4.1%	4.0%	-1.98%	15.90%	43.25%	N/A	N/A
Citigroup Broad Market Index < \$2BN				0.14%				4.58%				16.82%				-0.82%	21.33%	47.95%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	311,781,418	20.6%	20.0%	1.06%	308,757,093	20.8%	20.0%	1.80%	303,233,831	20.6%	20.0%	11.63%	272,368,226	20.1%	20.0%	-1.50%	13.12%	29.19%	10.28%	-0.51%
MSCI EAFE - 50% Hedged				1.97%				1.71%				11.11%				-0.72%	14.41%	26.98%	8.84%	-2.01%
EMERGING MARKETS EQUITY																				
Capital Guardian	88,653,437	5.8%	5.0%	5.83%	83,911,310	5.7%	5.0%	1.97%	82,213,159	5.6%	5.0%	15.35%	71,213,912	5.3%	5.0%	7.61%	33.94%	27.91%	22.44%	4.12%
MSCI Emerging Markets Free				4.24%				1.94%				17.27%				8.25%	34.89%	33.50%	24.42%	7.64%
DOMESTIC FIXED INCOME																				
Core Bond																				
Western Asset	10,679,068	0.7%	0.9%	3.07%	12,209,043	0.8%	0.9%	-0.86%	10,020,510	0.7%	0.7%	1.24%	9,893,768	0.7%	0.7%	3.66%	7.25%	2.02%	7.46%	8.91%
Lehman Aggregate				3.01%				-0.48%				0.96%				3.20%	6.80%	0.32%	5.75%	7.40%
Active Duration																				
WestAM (Criterion)	-	0.0%	0.0%	N/A	32,610	0.0%	0.0%	-3.96%	9,882,343	0.7%	0.7%	1.05%	9,775,925	0.7%	0.7%	2.75%	N/A	-0.25%	N/A	N/A
Lehman Aggregate								-0.48%				0.96%				3.20%		0.32%	3.46%	5.99%
Index																				
Bank of ND	18,938,656	1.2%	1.1%	3.45%	18,109,365	1.2%	1.0%	-0.50%	16,693,090	1.1%	1.0%	0.70%	16,518,805	1.2%	1.0%	3.46%	7.23%	-1.03%	6.11%	7.77%
Bank of ND Match Loan CD Program	10,245,198	0.7%	0.7%	1.27%	10,426,220	0.7%	0.7%	1.25%	10,824,888	0.7%	0.7%	1.26%	10,769,356	0.8%	0.8%	1.21%	5.08%	5.08%	5.33%	5.53%
Total Index	29,183,855	1.9%	1.8%	2.86%	28,535,584	1.9%	1.8%	-0.01%	27,517,978	1.9%	1.8%	0.86%	27,288,161	2.0%	1.8%	3.05%	6.91%	0.23%	5.88%	7.41%
Lehman Gov/Credit				3.44%				-0.67%				0.80%				3.56%	7.26%	-0.72%	6.41%	7.70%
Convertibles																				
TCW	8,208,844	0.5%	0.6%	-0.06%	8,470,605	0.6%	0.6%	-4.20%	10,430,201	0.7%	0.7%	8.51%	9,608,671	0.7%	0.7%	-3.97%	-0.23%	16.74%	8.73%	-2.63%
Merrill Lynch All Convertibles				1.28%				-4.77%				5.37%				-1.05%	0.66%	14.44%	9.94%	0.50%

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	June-05				March-05				December-04				September-04				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Actual	Quarter Policy Net ROR	Market Value	Allocation	Actual	Quarter Policy Net ROR	Market Value	Allocation	Actual	Quarter Policy Net ROR	Market Value	Allocation	Actual	Quarter Policy Net ROR	Fiscal YTD Net ROR	FY04 Net ROR	Ended 6/30/2005 Net	Ended 6/30/2005 Net
BBB Average Quality																				
Wells Capital (formerly Strong)	12,330,514	0.8%	0.9%	3.62%	12,270,693	0.8%	0.9%	-0.70%	10,069,282	0.7%	0.7%	4.10%	9,663,964	0.7%	0.7%	4.60%	12.04%	1.29%	9.22%	8.81%
Lehman BBB				3.57%				-1.57%				1.69%				4.76%	8.60%	1.23%	9.16%	7.86%
Private Debt																				
Prudential	963,171	0.1%	0.1%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Timberland																				
RMK	11,953,701	0.8%	0.8%	2.56%	12,021,488	0.8%	0.8%	-0.23%	12,342,576	0.8%	0.8%	7.77%	11,525,031	0.9%	0.9%	3.84%	14.50%	10.46%	12.47%	N/A
TIR	30,927,826	2.0%	2.0%	3.22%	31,766,782	2.1%	2.1%	48.37%	22,041,426	1.5%	1.5%	0.33%	22,009,199	1.6%	1.6%	N/A	N/A	N/A	N/A	N/A
Total Timberland	42,881,527	2.8%	2.8%	3.04%	43,788,270	2.9%	2.9%	31.07%	34,384,001	2.3%	2.3%	2.89%	33,534,231	2.5%	2.5%	3.84%	44.29%	10.46%	16.81%	9.77%
TOTAL DOMESTIC FIXED INCOME	104,246,980	6.9%	7.0%	2.81%	105,306,805	7.1%	7.0%	9.95%	102,304,315	6.9%	7.0%	2.72%	99,764,720	7.4%	7.0%	2.68%	19.23%	5.08%	11.83%	8.92%
Lehman Aggregate				3.01%				-0.48%				0.96%				3.20%	6.80%	0.32%	5.75%	7.40%
HIGH YIELD BONDS																				
Loomis Sayles	51,853,607	3.4%	3.5%	3.27%	50,362,009	3.4%	3.5%	-1.33%	51,040,334	3.5%	3.5%	7.13%	49,601,155	3.7%	3.5%	6.23%	15.96%	N/A	N/A	N/A
Lehman High Yield Cash Pay Index				2.83%				-1.63%				4.51%				4.85%	10.83%	N/A	N/A	N/A
Sutter/Wells Capital	49,914,940	3.3%	3.5%	2.58%	48,805,985	3.3%	3.5%	-1.36%	49,477,228	3.4%	3.5%	3.98%	49,551,562	3.7%	3.5%	4.19%	9.62%	N/A	N/A	N/A
Merrill Lynch High Yield Master II Index				2.61%				-1.44%				4.55%				4.63%	10.63%	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	101,768,547	6.7%	7.0%	2.93%	99,167,994	6.7%	7.0%	-1.35%	100,517,562	6.8%	7.0%	5.55%	99,152,717	7.3%	7.0%	5.20%	12.76%	7.69%	13.38%	5.52%
Lehman High Yield Bond Index				2.76%				-1.61%				4.57%				4.85%	10.86%	10.33%	14.51%	7.47%
INTERNATIONAL FIXED INCOME																				
International Sovereign																				
UBS Global (Brinson)	35,331,662	2.3%	2.5%	-1.90%	36,106,376	2.4%	2.5%	-3.32%	37,345,499	2.5%	2.5%	10.41%	34,125,615	2.5%	2.5%	3.05%	7.92%	7.86%	11.22%	8.24%
Citigroup Non-US Gov't Bond Index (2)				-2.69%				-3.10%				10.63%				3.29%	7.75%	7.59%	10.98%	7.92%
International Core																				
Brandywine	36,430,685	2.4%	2.5%	0.96%	36,209,903	2.4%	2.5%	-3.21%	37,370,373	2.5%	2.5%	9.21%	35,132,176	2.6%	2.5%	4.73%	11.78%	9.65%	N/A	N/A
Lehman Global Aggregate (ex-US)				-2.67%				-3.01%				10.66%				3.49%	8.10%	5.20%	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	71,762,346	4.7%	5.0%	-0.46%	72,316,278	4.9%	5.0%	-3.26%	74,715,872	5.1%	5.0%	9.80%	69,257,790	5.1%	5.0%	3.89%	9.84%	8.78%	12.08%	8.74%
Citigroup Non-US Gov't Bond Index (2)				-2.69%				-3.10%				10.63%				3.29%	7.75%	7.59%	10.98%	7.92%
REAL ESTATE																				
JMB	-			N/A	-			N/A	-			-86.10%	10,053			16.49%	N/A	1.45%	N/A	N/A
INVESCO	70,489,469			8.64%	68,352,847			4.64%	57,225,804			3.89%	55,084,827			3.47%	22.20%	6.72%	12.15%	10.44%
J.P. Morgan	70,290,777			4.51%	65,592,762			7.08%	57,168,060			2.85%	55,581,986			3.83%	19.52%	11.11%	12.70%	10.44%
TOTAL REAL ESTATE	140,780,246	9.3%	9.0%	6.56%	133,945,609	9.0%	9.0%	5.80%	114,393,864	7.8%	9.0%	3.33%	110,676,866	8.2%	9.0%	3.66%	20.77%	8.87%	12.39%	10.43%
NCREIF TOTAL INDEX				5.34%				3.51%				4.66%				3.42%	18.02%	10.82%	12.07%	10.81%
ALTERNATIVE INVESTMENTS																				
Brinson IVCF III	1,190,887			1.96%	1,168,044			10.35%	1,058,524			0.31%	1,055,213			2.48%	15.66%	16.88%	3.94%	8.26%
Coral Partners V	4,532,550			-14.93%	5,349,553			-6.15%	5,759,222			-4.59%	6,008,076			6.37%	-18.97%	-31.07%	-24.36%	-22.64%
Coral Partners V - Supplemental	597,960			-14.15%	699,369			3.00%	680,169			2.90%	714,519			2.37%	-6.85%	30.44%	-4.52%	N/A
Coral Partners VI	4,354,123			-1.18%	4,423,958			2.42%	3,710,653			-2.08%	3,885,668			-0.28%	-1.17%	-21.72%	N/A	N/A
Brinson 1998 Partnership Fund	1,496,795			3.14%	1,457,215			13.33%	1,454,304			-0.98%	1,718,793			3.37%	19.64%	9.41%	3.73%	-1.83%
Brinson 1999 Partnership Fund	2,489,447			-3.36%	2,893,157			9.51%	2,646,419			2.80%	2,562,361			0.48%	9.31%	14.66%	1.61%	-4.71%
Brinson 2000 Partnership Fund	5,146,798			-0.40%	5,188,795			8.48%	4,925,961			3.30%	4,746,254			3.01%	14.97%	11.19%	3.21%	-0.80%
Brinson 2001 Partnership Fund	3,116,758			-1.28%	2,717,510			3.41%	2,632,417			1.05%	2,144,359			0.81%	4.00%	6.64%	1.40%	N/A
Brinson 2002 Partnership Fund	1,729,356			0.80%	1,722,724			4.15%	1,656,879			-4.00%	1,207,228			-4.97%	-4.22%	14.42%	6.13%	N/A
Brinson 2003 Partnership Fund	374,337			0.16%	375,261			2.31%	262,672			2.02%	161,652			-2.71%	1.71%	-4.63%	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,427,825			15.77%	1,238,417			0.00%	1,503,318			7.91%	1,480,710			5.73%	32.09%	21.09%	21.85%	11.30%
Brinson 2000 Non-US Partnership Fund	1,695,074			8.80%	1,712,085			0.00%	1,714,983			2.89%	1,805,456			3.24%	15.57%	15.38%	13.45%	4.88%
Brinson 2001 Non-US Partnership Fund	1,414,490			10.05%	1,290,537			0.00%	1,292,722			-1.63%	1,102,792			0.86%	9.19%	16.63%	8.24%	N/A
Brinson 2002 Non-US Partnership Fund	2,658,146			6.58%	2,504,269			-1.16%	2,116,208			6.60%	1,799,011			0.27%	12.60%	18.67%	12.07%	N/A
Brinson 2003 Non-US Partnership Fund	951,735			2.26%	934,498			1.17%	569,440			-0.78%	388,769			-0.12%	2.52%	-3.93%	N/A	N/A
Brinson 2004 Non-US Partnership Fund	304,949			2.13%	149,854			0.00%	74,423			-1.76%	75,401			0.09%	0.42%	N/A	N/A	N/A
Brinson BVCF IV	7,673,650			-2.30%	7,886,017			2.69%	7,692,424			-0.88%	8,484,884			6.66%	6.06%	21.17%	3.14%	-7.20%
Matlin Patterson Global Opportunities	8,517,531			2.31%	9,719,112			96.76%	5,739,414			4.11%	8,315,812			-3.26%	102.75%	13.00%	N/A	N/A
Matlin Patterson Global Opportunities II	4,116,667			-1.42%	3,588,405			0.00%	4,416,773			-1.12%	-			N/A	N/A	N/A	N/A	N/A
InvestAmerica	1,320,700			-30.83%	1,917,076			0.00%	1,920,321			0.00%	1,911,348			17.28%	-18.88%	-7.73%	-13.16%	N/A
Hearthstone MSII	1			0.00%	1			0.00%	1			536.18%	217,788			106.69%	1214.92%	28.64%	179.43%	90.03%
Hearthstone MSIII	7,462,933			7.42%	8,742,557			7.20%	10,045,942			1.26%	9,874,955			-0.08%	16.51%	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (3)	62,572,711	4.1%	5.0%	-0.52%	65,678,416	4.4%	5.0%	11.76%	61,873,188	4.2%	5.0%	2.53%	59,661,050	4.4%	5.0%	2.91%	17.30%	3.39%	3.06%	-3.04%
CASH EQUIVALENTS																				
Northern Trust STIF/STEP	28,949,861	1.9%	2.0%	0.69%	29,545,221	2.0%	2.0%	0.54%	28,037,827	1.9%	2.0%	0.50%	25,121,066	1.9%	2.0%	0.44%	2.19%	1.44%	1.82%	2.72%
90 Day T-Bill				0.72%				0.57%				0.48%				0.37%	2.15%	0.98%	1.55%	2.62%
TOTAL FUND	1,515,854,694	100.0%	100.0%	2.54%	1,484,800,873	100.0%	100.0%	1.00%	1,473,640,924	100.0%	100.0%	9.00%	1,354,437,687	100.0%	100.0%	0.41%	13.36%	19.30%	11.42%	3.23%
POLICY TARGET BENCHMARK				2.22%				-0.11%				8.70%				0.61%	11.68%	18.20%	10.29%	2.47%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.